

TIRNO-92-C-00014
Incurred Costs Audit
Fiscal Year 1998

August 2001

Reference Number: 2001-1C-114

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

August 3, 2001

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

A handwritten signature in black ink, reading "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: TIRNO-92-C-00014: Incurred Costs Audit - Fiscal Year 1998

The Defense Contract Audit Agency (DCAA) audited the contractor's Systems Integration Group, Government Information Systems Division's June 30, 1999 certified final indirect cost rate proposal and related books and records for reimbursement of Fiscal Year (FY) 1998 incurred costs. The purpose of the audit was to determine allowability of direct costs and indirect cost rates and recommend procurement determined indirect cost rates for December 27, 1997 through January 1, 1999. The proposed rates apply primarily to flexibility-priced contracts.

The DCAA considered the contractor's FY 1998 accounting system adequate for accumulation, reporting, and billing costs on government contracts/subcontracts. However, DCAA qualified its opinion to the extent that subcontract costs claimed may be questioned as a result of the audits of subcontractor incurred cost submissions. In summary, DCAA made a General and Administrative (G&A) base adjustment for exclusion of the Non-Contract Support Authorization costs from the G&A Value Added Base.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-6510 or Maurice S. Moody, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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